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57-0507

[FEB 18 1957]

TO: Deputy Director (Support)

SUBJECT: Survey of Procedures For Deprocessing Separating Agency Employees

REFERENCE: Memorandum to Chief, Mgt/S from DD/S, dated 28 January 1956,
subject "Comprehensive Review of Clearance Procedures for
Personnel Leaving Agency Employ."

This memorandum contains recommendations submitted for DD/S approval.
Such recommendations are contained in paragraph 6.

1. THE PROBLEM:

To determine the adequacy of present procedures for insuring that a separating employee concludes all his business with CIA on or before the effective date of his separation.

2. ASSUMPTIONS:

In accordance with the referenced memorandum, it is assumed that:

- a. The word "employee" refers to a headquarters or field staff employee, staff agent or member of the armed forces detailed to CIA. Note: References are made in this study to contract agents and consultants, for purposes of comparison.
- b. The "business" of an employee with CIA refers to funds, non-expendable portable property and classified documents for which the individual employee is expected to account, and to those deprocessing procedures which are necessary to insure that the separating employee concludes all official relationships (such as cover arrangements) on or before the effective date of his separation. "Business", as used in this study, does not apply to property, funds or documents properly chargeable to a component or project.
- c. A separating employee can be deprocessed properly only if there are adequate records of the money, property and documents charged to him.

3. FACTS:

- a. Indebtedness by separating employees is indicated by the following data (these figures do not represent net loss, since many of these obligations will be settled):

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(1) In calendar year 1955, there were 49 cases (46 unvouchered), involving \$15,715.64 in financial obligations to CIA. Thirty percent of the total indebtedness resulted from inadequate or improper accounting for travel advances. In addition, the Agency owed \$4,784.98 to 23 employees who separated in 1955. (See Tab A.) On 31 October 1955, Finance Division had in process 32 cases (\$22,655.72) resulting from 1954 separations and 71 cases (\$22,838.96) resulting from 1953 separations.

(2) Since 1950, under 100 cases, involving \$17,000 in losses to the Credit Union. There were six cases in 1955.

(3) There are six cases per year of employees (usually agents) who separate without settling insurance matters with the Office of Personnel.

(4) No data are available regarding volume of losses to separating employees in non-expendable property, books and classified documents.

b. The following facts are revealed by the attached survey report:

(1) In many operating components, records of property and documents charged to individuals, and deprocessing procedures, are not adequate to provide complete deprocessing of all employees.

(2) Administrative officers, the Office of Personnel and central offices of record do not receive adequate advance notice of many separations.

(3) There are 37 regulatory issuances and [redacted] bearing directly on employee deprocessing, and an indeterminate number having indirect bearing. There is confusion among administrative officers regarding implementation of these issuances.

(4) A separating employee does not certify that he is free of property and document obligations to CIA. He certifies only that he has no "indebtedness;" this may be interpreted to include only financial indebtedness.

(5) Field stations use independently devised deprocessing procedures, frequently without notification to headquarters of action taken.

(6) Military personnel appear at Military Personnel Division for deprocessing on the effective date of separation; this does not permit adequate time for review of records of obligations by offices of record, such as Finance Division.

(7) Formal procedures have not been established for action by all offices of record which have obligations charged to a separating employee.

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(8) The field frequently does not advise headquarters of the status of accounts of an employee who is returning for separation, PCS or leave.*

(9) Time lags of from four weeks to four months exist in field to headquarters communications regarding advances made to employees and the status of employees' accounts. (See page 6 of attached report.)*

4. DISCUSSION:

a. Human error and improper conduct on the part of a few individuals contribute to the number of problem cases; however, many cases result from the absence of clearly defined responsibilities and formal, detailed and comprehensive procedural guidance for operating and coordinating components and for offices of record. The number of regulatory issuances on the subject and the vagueness of some of these issuances contribute to the confusion.

b. In addition to the weaknesses in policies and procedures, the most pressing problems are: the lack of advance information regarding separations which are provided the Office of Personnel and offices of record; ineffective records of property and documents charged to individuals, particularly in operating components, and failure of field operating components to comply with regulatory issuances, pertaining to notifying headquarters of the status of employees' accounts.*

c. The Office of Logistics has, since completion of the Mgt/S survey, enforced stricter requirements for obtaining non-expendable, portable property from Building Supply rooms. This will eliminate the problem caused when an employee obtains such property and turns it over to another employee. Recent steps have also been taken by the Office of Logistics to bring the property records of its Building Supply Officers up to date, so that they accurately reflect the names of employees having actual possession of property.

d. Requirements for receipting for Top Secret documents are enforced in most major sub-components; however, at the branch or lower level, there is a tendency to control the documents more casually. Apparently this is a long-standing problem in the ID/P Area, where RI is planning a study of Top Secret records and procedures in operating components.

e. Both Fiscal Division and Finance Division impose restrictions in approving advances to employees; Fiscal Division is particularly stringent in this respect, normally permitting an advance to an employee in excess of his "equity" in accrued salary and retirement only if the employee obtains an indemnity bond at his own expense. A D/P/S Committee

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~~NOTE:~~ Direct communications between Finance Division and field stations, established since these facts were determined, have eliminated most of these problems of field to headquarters accountings.

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has studied the possibility of requiring similar bonding of personnel receiving unvouchered funds, and has rejected the possibility on grounds of feasibility and security. In regard to advances made in the field, the Offices of the Comptroller and Security have considered requiring the employee to hand-carry documentation which would show advances received, and which would have to be endorsed before an additional advance would be made. This has been rejected as an insecure and unnecessary procedure.

5. CONCLUSIONS:

The problem of employees separating from CIA without settling all obligations can be attributed largely to: inadequacies in regulatory issuances, which in turn result in ineffective policies and procedures; in certain instances incomplete recording and control of money, property and documents charged to individuals; and non-compliance or partial compliance with pertinent Regulations. A certain number of cases will always occur because of human shortcomings.

6. RECOMMENDATIONS:

It is recommended that:

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25X1A 2. The Office of Personnel, Office of Logistics and Office of the Comptroller, with appropriate participation by other components, arrange for publication of [redacted] Agency handbook [redacted] prescribing specific assignments of responsibility and detailed procedures for application by all components in deprocessing employees who are separating, going on LWOP, transferring within CIA, going overseas PCS or converting to another employee status; that the handbooks embody appropriate portions of existing Regulations, and that, in addition, they include the following requirements (security permitting):
 - (1) The employing component will notify Personnel, Finance, Fiscal, Logistics and Security immediately, by telephone, of an anticipated separation or LWOP, when it is apparent that normal written documentation or notice will not reach these offices at least two weeks in advance of the separation or LWOP.
 - (2) The employing component will attempt to retrieve all property, books, documents, etc. charged to the employee by records of the component, or, failing to obtain the items or a satisfactory accounting, will notify Personnel, Finance, Fiscal or Security, as appropriate.
 - (3) The employing component will certify in writing, on the Final Payment Clearance Sheet, form 21, that the employee is free of all obligations properly charged to him by records of the component, including Top Secret documents.
 - (4) The Office of Personnel will obtain telephonic certification that a separating employee is free of obligations charged to him by the

offices of record listed in the Final Payment Clearance Sheet, form 21 except Security, and Finance and Fiscal Divisions and that any cover arrangements have been concluded, and the names of the employees obtaining and furnishing such information will be recorded on the form 21. The employee will personally obtain written certification, on the form 21, that he is free of obligations charged to him by the Office of Security, Finance and Fiscal Divisions, and the names of the employees obtaining and furnishing such information will be recorded on the form 21.

- (5) The employee will certify in writing on the Final Payment Clearance Sheet, that he is free of all money, property and document obligations, or that he has made appropriate arrangements to settle all obligations.
- (6) A clearance sheet, similar to the Final Payment Clearance Sheet, Form 21, will be completed in the field, and will be forwarded to headquarters by the field after separation for inclusion in the Office of Personnel folder. The Final Payment Clearance Sheet will be revised to reflect more accurately the names of components certifying clearance; for example, the Office of Training should be contacted regarding such items as language records, as well as books.
- (7) When an employee indicates his intention to separate in the field, every effort will be made to effect clearance by Finance, Logistics and the Credit Union at headquarters prior to the effective date of his separation.
- (8) Employee deprocessing will be completed on the day before final separation whenever possible.
- (9) In internal transfers, the losing component will notify the gaining component of all obligations known to be charged to the employee.
- (10) The field will transmit a cable or dispatch to headquarters (copies to Finance and Logistics), whichever is appropriate in view of the employee's anticipated date of arrival at headquarters, regarding the outstanding obligations of an employee returning to headquarters for separation, or DOP, provided, in the case of Finance, that the employee is expected to arrive at headquarters before a Personnel Transfer and Clearance Sheet, Form 33-50, can be transmitted by the field to headquarters.* The [redacted] indicator will be used on communications relating to financial obligations.

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b.

[redacted] procedure may be or will types be amended or rescinded as appropriate.

c. The Office of Logistics: periodically review procedures employed by operating components for recording non-expendable portable property charged to employees in order to insure that such records accurately reflect the names and signatures of employees having actual possession of the property; periodically review Building Supply Officers' records of property charged to individuals in order to insure that such records accurately reflect the names and signatures of employees having actual possession of the property. Note: the Office of Logistics has already taken steps to implement this recommendation; require the signature on Office of Logistics receipts of the employee who is actually to use and maintain possession of property obtained from the Building Supply Officer. Note: the Office of Logistics has already taken steps to implement this recommendation

d. The Office of the Comptroller: study time lags in field to headquarters notification of advances and take necessary steps to reduce such time lags where feasible.

e. The Office of Central Reference, CIA Top Secret Control Officer, initiate a review by the Area Top Secret Control Officers in the operating components, of the Top Secret document records in their areas, and to require the necessary steps to insure that such records reflect accurately at all times the name and signature of the employee having actual possession of the document; that OCR take steps in regard to the record of books and classified documents maintained by the CIA Library to insure that such records reflect accurately at all times the name and signature of the employee having responsibility for possession of the book or document, except that the Library record will not be required to include the borrower's signature.

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CHIEF, MANAGEMENT STAFF

Attachment:
Survey Report

CONCURRENCES:
(See attached sheet)

The recommendations in paragraph 6 are Approved:

MAR 6 1957

Date

DISTRIBUTION:

Orig. & 1 - *D/Pers*
1 - Dir. of Log.
1 - Comptroller
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1 - Exec. Off. DD/P
1 - AD/CR

*The Office of Personnel has primary responsibility for implementing these (signed) *H. Gates* *DD/P*

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CONCURRENCES:

/s/
DD/P

* Subject to SSA Comments
attached**

/s/
Office of the Comptroller

/s/
Office of Logistics

/s/
Office of Personnel

/s/
Office of Central Reference

** Revisions suggested by DIA/DM/S in the attached paper, in regard to OIK and indemnity bonds, have been included in the staff study. DIA and DD/P have agreed orally to the continuation, on the Final Payment Clearance Sheet, of the CIA Credit Union, since contact with the Credit Union is an important part of the Office of Personnel's deprocessing procedure.